

**APPROVED**

by the resolution of the Supervisory Board

of the Moscow Exchange

on October 29, 2020 (Minutes No 11)

**Regulation on the Exchange Council of Public Joint-Stock Company  
Moscow Exchange MICEX-RTS**

## **1. GENERAL PROVISIONS**

- 1.1. This Regulation on the Exchange Council of Public Joint-Stock Company Moscow Exchange MICEX-RTS (hereinafter, the “Regulation”) has been developed in accordance with the Charter of the Public Joint-Stock Company Moscow Exchange MICEX-RTS (hereinafter, the “Exchange”), other internal documents of the Exchange, laws and other regulatory legal acts of the Russian Federation.
- 1.2. This Regulation shall set the procedure for forming the Exchange Council, its competence, number of members, requirements set to members of the Exchange Council, their rights and obligations, procedure for holding of meetings and decision-making on issues referred to its competence.
- 1.3. The Exchange Council is an advisory body of the Exchange acting on a permanent basis.
- 1.4. While performing its functions the Exchange Council shall follow this Regulation, the Articles of Association of the Exchange and other internal documents of the Exchange, as well as laws and other regulatory legal acts of the Russian Federation.
- 1.5. This Regulation, as well as additions and amendments to the Regulation shall be approved by the Supervisory Board of the Exchange (hereinafter, the “Supervisory Board”) and shall become effective from the date of their approval unless another term has been set by the decision of the Supervisory Board.
- 1.6. Composition of the Exchange Council and the decisions adopted by it shall be subject to disclosure on the website of the Exchange.

## **2. TARGETS, TASKS AND COMPETENCE OF THE EXCHANGE COUNCIL**

- 2.1. The Exchange Council is established with the following purposes:
  - financial market development and the Exchange’s business improvement in the interests of its users;
  - finding a balance between the interests of the Exchange’s shareholders and clients (trade members, financial intermediaries, investors, end users of exchange services) to ensure fair relationship between all financial market’s participants.
- 2.2. The Exchange Council shall have the following main tasks:
  - 2.2.1. Representing the Exchange market participants and service consumers of the Moscow Exchange Group companies for complete and comprehensive recognition of their needs while solving issues related to organization and development of the exchange infrastructure and other infrastructure at the financial market.
  - 2.2.2. Considering issues referred to the competence of the Exchange Council and adoption of recommendations for the Exchange authorized bodies.
- 2.3. The following issues shall fall within the competence of the Exchange Council:
  - 2.3.1. working out of proposals and submission of recommendations to the Supervisory Board concerning improvement of the development strategy of Moscow Exchange Group;
  - 2.3.2. discussion of the Exchange priority projects and selecting at least one project offered as KPI for the Exchange management, as well as providing the respective recommendations to the Supervisory Board (or other authorized management body of the Exchange);
  - 2.3.3. working out of proposals to improve the exchange market infrastructure and submission of recommendations to the Supervisory Board (or other authorized management body of the Exchange) according to the results of their consideration;
  - 2.3.4. working out of proposals to improve clearing and settlement technologies and submission of recommendations to the Supervisory Board (or other authorized

management body of the Exchange) according to the results of their consideration;

- 2.3.5. working out of proposals on introduction of amendments and additions into the Exchange internal documents related to the Exchange's activity as a trading (exchange) organizer;
- 2.3.6. working out of proposals aimed at improvement of listing, submission of recommendations to the Supervisory Board (or other authorized management body of the Exchange) according to the results of their consideration;
- 2.3.7. working out of proposals to involve the participants of new client segments to the market;
- 2.3.8. consideration of reports on placing temporarily available cash of the clearing members and their clients on a quarterly basis;
- 2.3.9. informing the Exchange trading members and the mass media on the results of its activity;
- 2.3.10. participation in development of the code of conduct for trading members;
- 2.3.11. initiating analytical studies concerning operation of markets of Moscow Exchange Group;
- 2.3.12. initiating panel discussions and other introductory events on operation of markets of Moscow Exchange Group;
- 2.3.13. initiating of amendment hereof;
- 2.3.14. consideration of issues by order of the Supervisory Board within the scope of tasks solved by the Exchange Council;
- 2.3.15. performing other functions in accordance with the legislation of the Russian Federation, this Regulation and other internal documents of the Exchange.

### **3. PROCEDURE FOR FORMING OF THE EXCHANGE COUNCIL**

- 3.1. The number of the Exchange Council members shall be determined by the Supervisory of the Exchange and shall not be less than fifteen (15) and more than twenty-six (26) persons.
- 3.2. The Exchange Council members shall have the knowledge, skills and experience necessary to consider the issues referred to the competence of the Exchange Council in accordance herewith.
- 3.3. The Exchange Council members shall be elected as follows:
  - 15 members of the Exchange Council shall represent trading members, which have the largest trade turnover for the operations they have performed during the year in the Exchange's total weighted trade volume. Trade volume of the trading members is calculated by the Exchange for 12 months preceding the month of notification on the start of collecting proposals on candidates for election to the Exchange Council<sup>1</sup> (hereinafter, top-15 trading members). The candidates for election to the Exchange Council shall be nominated by the sole executive body of the trading member or the sole executive body of a trading member which is a part of the trading member's Group;
  - other members may represent trading members, asset management companies for investment funds, mutual funds and non-government funds, financial market self-regulated companies; Bank of Russia, government bodies, banks that carry out depository activity, foreign bank subsidiaries that have been proposed as candidates

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<sup>1</sup> In the event that top-15 includes two and more companies part of the Group, only one candidate representing the Group may be nominated for election to the Exchange Council.

by Exchange. When the Exchange nominates candidates to the Exchange Council sole executive bodies/officers shall be given a priority;

- The pool of candidates to the Exchange Council nominated by the Exchange should be comprised of:
  - financial market self-regulated companies - up to 3 candidates,
  - Asset management companies - up to 3 candidates,
  - Representatives of trading members - up to 5 candidates,
  - Bank of Russia, government bodies - up to 1 candidate,
  - Foreign bank subsidiaries - up to 3 candidates,
  - Banks that carry out depository activity - up to 1 candidate.

3.4. The Exchange Council members shall be elected once in 2 (two) years by the Supervisory Board of the Exchange among the candidates shortlisted for election to the Exchange Council. Trading members and the Exchange nominate candidates for the Exchange Council in accordance with item 3.3 herein after notifying top-15 trading members on the start of acceptance of nominations to the Exchange Council by the Exchange (further referred to as the Exchange's information message).

Within the term indicated in the Exchange's information message that shall be at least 10 (ten) business days, top-15 trading members shall submit to the Exchange their proposals on nominating candidates for election to the Exchange Council (hereinafter, the Proposal) produced in accordance with the form given in Annex 2 to this Regulation, along with application of the candidate produced in accordance with the form given in Annex 1 hereof. The Application shall be attached with a candidate's written consent for personal data processing.

Subject to their consent, the persons nominated by the Exchange for election to the Exchange Council shall submit to the Exchange their applications produced in accordance with the form given in Annex 1 hereof within the term indicated in the Exchange's information message that shall be at least 10 (ten) business days. The Application shall be attached with a candidate's written consent for personal data processing.

The Executive Board of the Exchange considers proposals, checks candidates' compliance with requirements set in items 3.2 and 3.3 herein, makes a shortlist of candidates for election to the Exchange Council.

3.5. The elected group of the Exchange Council members shall remain in force until the newly elected Supervisory Board of the Exchange forms the new Exchange Council.

3.6. As suggested by the Chairperson of the Exchange Council and/or the Executive Board of the Exchange, a member of the Exchange Council may be excluded from the Exchange Council by the Supervisory Board of the Exchange in case he/she has not participated (and has not submitted written opinions or filled-in voting bulletins on the issues under consideration) a minimum in three (3) meetings of the Exchange Council. Such a person cannot also be proposed (nominated) for election to the new Exchange Council.

3.7. A member of the Exchange Council may early withdraw from the Exchange Council having notified the Exchange thereof by sending a written application.

Furthermore, a member of the Exchange Council may be excluded from the Exchange Council by the Supervisory Board of the Exchange upon initiative of the organisation that nominated him/her as a candidate for the Exchange Council. In that case this organisation shall be entitled in parallel to propose a new candidate for election to the Exchange Council.

The Exchange Council member's office shall be terminated (the Exchange Council member shall be excluded from the Exchange Council) after the Supervisory Board of the Exchange adopts a respective resolution thereof.

- 3.8. The Chairperson of the Exchange Council and his one or several deputies (upon the elected Chairperson's suggestion) are elected among the members of the Exchange Council by the simple majority vote of the members of the Exchange Council at its first meeting after the forming of the Exchange Council composition by the Supervisory Board.
- 3.9. To make its operation more efficient the Exchange Council may establish standing or temporary working groups the activity of which shall be aimed at consideration of certain issues within the competence of the Exchange Council.

#### **4. EXCHANGE COUNCIL CHAIRMAN, DEPUTIES AND EXECUTIVE SECRETARY OF THE EXCHANGE COUNCIL**

- 4.1. The Exchange Council Chairperson shall:
  - 4.1.1. manage activity of the Exchange Council, organize its operation, adopt decisions on convening the Exchange Council by carrying out a meeting or by absentee voting, shall chair the Exchange Council meetings.
  - 4.1.2. approve the agenda, including in view of the proposals received from the person performing the functions of the sole executive body of the Exchange and the Exchange Council members, shall set the date, time, place and form of holding the meetings.
  - 4.1.3. determine the deadline for voting ballot acceptance and voting procedure for the meetings held in absentia (filling in the hard copy of voting ballot and sending it to the Exchange and (or) filling in the voting ballot via e-voting software).
  - 4.1.4. determine the voting procedure for the meetings held in the form of joint presence (open voting by raising hands or voting using information and communication technologies by any way letting one definitely express their position and (or) via e-voting software).
  - 4.1.5. organize preparation of materials necessary to consider the issues on the agenda and their timely mailing to the Exchange Council members.
  - 4.1.6. approves the list of persons invited for participation in the Exchange Council meetings.
  - 4.1.7. organize keeping of the minutes of the Exchange Council meetings and sign the minutes of the Exchange Council meetings.
  - 4.1.8. distribute obligations among the Exchange Council members.
  - 4.1.9. take part in the Exchange Council meetings.
  - 4.1.10. represent the Exchange Council in interaction with the Supervisory Board, the executive bodies of the Exchange, other bodies and persons.
  - 4.1.11. perform other functions related to activity of the Exchange Council in accordance with this Regulation and internal documents of the Exchange.
- 4.2. The Exchange Council Chairperson takes part in the meetings of the Supervisory Board with the right of advisory vote on issues referred to the competence of the Exchange Council and may initiate calling of the meetings of the Supervisory Board within the procedure provided by the internal documents of the Exchange.
- 4.3. In case of the Chairperson's absence his functions shall be performed by the Deputy Chairperson, and if several deputies have been elected — by one of his deputies according to the decision of the Exchange Council. In the absence of the Chairperson or his deputies at the meeting the Exchange Council members shall elect the chairing member from among those

present at the meeting.

4.4. Document and technical support of the Exchange Council operation within the period of meetings and between their holding shall be performed by the Executive Secretary of the Exchange Council which shall not be a member of the Exchange Council and shall be appointed by the Order of the person performing functions of the sole executive body of the Exchange from amongst the Exchange employees. For the period of temporary absence of the Executive Secretary of the Exchange Council his functions shall be performed by the Exchange employee appointed by the person performing functions of the sole executive body of the Exchange.

4.5. The Executive Secretary shall carry out:

4.5.1. preparation of the Exchange Council meetings (drawing up the list of issues for the agenda of the Exchange Council meeting, informing the Exchange Council members on the time, place, agenda of the meeting, registration of the Exchange Council members for their participation in the meeting);

4.5.2. mailing of the materials to the Exchange Council members and providing the Exchange Council members with all necessary materials while holding the Exchange Council meeting. The materials on the agenda issues of the Exchange Council meetings containing information marked as confidential shall not normally be mailed to the members;

4.5.3. keeping and execution of the minutes of the Exchange Council meetings within the terms set in clause 6.13 hereof, as well as preparation of extracts from the minutes for provision to the persons concerned;

4.5.4. keeping of records according to the results of the Exchange Council operation (forming files according to the approved classification, providing for their security and timely transfer to the archive);

4.5.5. other functions as entrusted by the Exchange Council Chairperson.

## **5. RIGHTS AND OBLIGATIONS OF THE EXCHANGE COUNCIL MEMBERS**

5.1. All members of the Exchange Council shall have equal rights and obligations. Inequality of the Exchange Council members shall not be permitted.

5.2. The Exchange Council member shall have the right to:

5.2.1. make proposals on adding the issues to the agenda in view of the Exchange Council competence;

5.2.2. take part in the Exchange Council meetings and in the voting on issues on the agenda;

5.2.3. submit a written opinion on the issues on the agenda in view of the requirements stipulated in clause 6.11 hereof in case of impossibility to take part in the meeting;

5.2.4. receive information on activity of the Exchange Council.

5.3. The Exchange Council members shall be obliged to:

5.3.1. exercise their rights in respect of the Exchange in good faith and in a reasonable manner;

5.3.2. attend the Exchange Council meetings or vote by absentee ballot if the decisions are taken in this way, send a written opinion on the issues of the agenda of the meetings held by way of the physical presence;

5.3.3. comply with the requirements of the Exchange internal documents regulating the Exchange activity, as well as requirements of the laws and other regulatory legal acts of the Russian Federation;

- 5.3.4. not to disclose and not to use for its own benefit or for benefit of the third parties the data which have become known to him and constituting insider and/or official information, as well as commercial secret of the Exchange;
- 5.3.5. perform other obligations provided by this Regulation and other internal documents of the Exchange.

## **6. MEETINGS OF THE EXCHANGE COUNCIL**

6.1. Meetings of the Exchange Council shall be held as may be necessary. The meeting of the Exchange Council shall be called by the Exchange Council Chairperson, in case of his absence by one of his deputies. The Exchange Council may adopt decisions by absentee voting.

6.2. The Exchange Council Chairperson or one of his deputies (in case of absence of the Exchange Council Chairperson) shall organize holding of the Exchange Council meetings in compliance with the agenda of the meeting formed within the procedure provided for hereby.

6.3. Decisions on issues concerning form, date, place and time of the Exchange Council meetings shall be adopted by the Exchange Council Chairperson or one of his deputies (in case of absence of the Exchange Council Chairperson). The Exchange Council meetings shall be generally carried out in the form of joint attendance at the location of the Exchange at the address: 13 Bolshoy Kislovskiy pereulok, Moscow.

6.4. After the Exchange Council Chairperson or one of his deputies (in case of absence of the Exchange Council Chairperson) has agreed the agenda of the meeting and set the form, date, time and place of its holding the Executive Secretary of the Exchange Council shall as usual not later than four (4) working days before the date of the Exchange Council meeting send notices (messages) to the Exchange Council members specifying the following:

- form of the meeting (joint attendance or absentee voting);
- date, place and time of the meeting (if the meeting is held by way of the physical presence);
- dates of closing the voting ballot acceptance, the postal address and e-mail address to which the completed ballots shall be sent (if the meeting is held in absentia).
- indication of the use of e-voting software;
- indication of holding the meeting with the use of information and communication technologies in accordance with Clause 6.5 of the Regulation;

The following documents shall be enclosed to the notice (message):

- copy of the meeting agenda signed by the Exchange Council Chairperson or one of his deputies (in case of absence of the Exchange Council Chairperson);
- documents, explanatory notes justifying the need to adopt the proposed decision and other necessary information materials;
- draft decisions (wordings) on the agenda issues put to vote;
- voting ballots (if the meeting is held in absentia).

Notice (message) on the Exchange Council meeting and the necessary materials shall be sent to each Exchange Council member by e-mail or using special software, or shall be served in person against signature.

6.5. In exceptional cases and in agreement with the Exchange, information and communication technologies enabling remote participation in the meeting, agenda items discussion and adoption of resolutions put to vote may be used at the meetings held in the form of joint presence (including conference calls). Participation of the Exchange Council members in the meeting using information and communication technologies equals to their

presence at the meeting in case of their identification and/or authentication. The Chairperson of the Exchange Council shall decide on the possibility of using information and communication technologies when calling a meeting of the Exchange Council.

6.6. The Exchange shall notify the Supervisory Board members a minimum 4 working days before the meeting date (or the date set as the last day for voting ballots return). If the issue needs a prompt attention of the Exchange Council, the Supervisory Board members should be notified not later than the date of the meeting. Notification should be accompanied with the agenda and materials on agenda items (if available). The Supervisory Board members may attend meetings of the Exchange Council at their own convenience.

6.7. By the relevant decision of the Exchange Council Chairperson, and in case of his absence by one of his deputies the members of committees (councils of sections) of the Exchange may be invited to the Exchange Council meetings for consideration of issues referred to activity of such committees (councils of sections).

6.8. While preparing the meeting of the Exchange Council the Executive Secretary of the Exchange Council shall inform the person performing functions of the sole executive body of the Exchange or other person authorized by him as regards the date of the meeting and the planned agenda issues not later than 4 (four) working days before the date of meeting (or the date set as the last date for voting ballots return).

6.9. If any circumstances arise preventing or hindering holding of the Exchange Council meeting of which the Exchange Council members have been notified the meeting according to the planned agenda may be adjourned to another date by the decision of the Exchange Council Chairperson or one of his deputies (in case of absence of the Exchange Council Chairperson).

The Executive Secretary of the Exchange Council shall notify all the Exchange Council members on changes in the date and (or) time of the Exchange Council meeting by order of the Exchange Council Chairperson or one of his deputies (in case of absence of the Exchange Council Chairperson) under the procedure provided for in Clause 6.4 of this Regulation.

6.10. By the relevant decision of the Exchange Council Chairperson or one of his deputies (in case of absence of the Exchange Council Chairperson) the members of committees (councils of sections) of the Exchange, members of the Executive Board of the Exchange, Managing and Executive Directors, heads of the Exchange structural subdivisions, as well as the persons who have prepared materials and documents on the issues considered at the meeting, the Exchange employees may be invited to the Exchange Council meeting.

6.11. The Exchange Council shall be legally qualified to adopt the decisions if at least a half of the Exchange Council members (quorum) take part in its meeting. While voting, the following variants shall be used: “for”, “against” “abstained”. The decisions of the Exchange Council shall be adopted by simple majority of “for” votes of the Exchange Council members taking part in the voting.

6.12. When making decisions, members of the Exchange Council present at the meeting, as a rule, express their opinion (vote on agenda items) by open voting by raising their hands or by voting using information and communication technologies in any way that allows them to clearly express their position, or using special e-voting software.

6.13. When defining whether the quorum is present and calculating the voting results on the agenda issue the written opinion of the Exchange Council member not present at the meeting may be taken into account if the following conditions are met:

- the written opinion on the issue has been received before commencement of the meeting;
- the Exchange Council member has expressly stated its position on the issue having specified one of the voting variants for the proposed draft decision in his written



opinion: “for”, “against” or “abstained”.

The written opinion containing corrections and stipulations for the proposed draft decision shall not be taken into account while defining whether the quorum is present or calculating the voting results. If corrections to draft decision have been introduced at the Exchange meeting the written opinion shall not be taken into account while defining whether the quorum is present or calculating the voting results.

Written opinions shall be taken into account while defining whether the quorum is present or calculating the voting results on each agenda issue separately which shall be recorded in the minutes of the Exchange Council meeting.

6.14. Those members of the Exchange Council whose voting ballots were received in hard copy (on postal address of the Exchange) or received by the Exchange via e-mail (followed by submission of the original bulletin to the Exchange Council Secretary) or those who voted using special e-voting software provided its security prior to or at the closing date of the voting bulletins acceptance shall be deemed attended the Exchange Council meeting held in the form of absentee voting.

6.15. Each Exchange Council member shall have one vote upon adoption of the decisions by the Exchange Council. The right of vote may not be transferred to any other person, including other Exchange Council members.

In case of equal number of votes the vote of the Chairperson of the Exchange Council shall be the casting vote, and another person presiding at the meeting does not have the right of casting vote.

6.16. At the Exchange Council meeting the minutes shall be kept which shall be drawn up within not more than ten (10) working days upon its holding date.

6.17. The minutes of the meeting shall contain:

- full company name and location of the Exchange;
- the form of the Exchange Council meeting;
- agenda of the meeting;
- instruction that the meeting shall be held using information and communication technologies in accordance with Clause 6.5 of the Regulation;
- information on the quorum for the Exchange Council meeting and for each item on the agenda;
- issues put to vote and voting results thereon;
- resolutions adopted;
- date of the minutes;
- other information required.

If the meeting is held in person, the minutes of the Exchange Council shall also indicate:

- date, place and time of the Exchange Council meeting;
- members of the Exchange Council present at the meeting;
- members of the Exchange Council who did not participate in the meeting;
- members of the Exchange Council who submitted written opinions;
- list of invitees;
- speakers on the agenda items.

If a meeting is held in absentia, the minutes of the Exchange Council shall also indicate:

- date of summing up the results of absentee voting (date of the meeting);

- members of the Exchange Council who took part in absentee voting;
- members of the Exchange Council who did not participate in absentee voting.

6.18. The minutes of the Exchange Council meetings shall contain continuous numbering in chronological order within the period since the date of election of the current Exchange Council till the date of election of the new Exchange Council; they shall form a separate dossier and shall be kept within the procedure set by the Exchange.

6.19. The Exchange should notify the Bank of Russia on the Exchange Council's meeting in accordance with procedures set by the Bank of Russia not later than two working days before the date of the meeting or the end date for voting ballots return. If the issue needs a prompt attention of the Exchange Council, the Bank of Russia should be notified not later than the date of the meeting. Notification should be accompanied with the agenda and materials on agenda items (if available).

If earlier sent pre-reads have been substantially amended, such materials should be sent again along with summary of corrections made thereto.

**Annex 1**  
**to Regulation on the Exchange Council**  
**of the Moscow Exchange**

To the Chairperson of the Executive Board of  
the Moscow Exchange

**APPLICATION**  
**for entering into the list of candidates for election to**  
**the Exchange Council of the Moscow Exchange**

I hereby ask to include me \_\_\_\_\_  
(name, patronymic, surname in full)

into the list of candidates for election to the Exchange Council of the Moscow Exchange.

**Brief data:**

- Date of birth:

\_\_\_\_\_

- Education (specifying the names of educational institutions):

\_\_\_\_\_  
\_\_\_\_\_

- Work record (specifying the entities and positions held within the last three years):

- \_\_\_\_\_  
- \_\_\_\_\_  
- \_\_\_\_\_

- Membership in management bodies of other legal entities:

\_\_\_\_\_  
\_\_\_\_\_

- Other information (at the applicant's option):

\_\_\_\_\_  
\_\_\_\_\_

- Contact telephone number, fax, e-mail address:

\_\_\_\_\_

I hereby assume the obligation to:

- comply with the requirements of the Regulation on the Exchange Council of the Moscow Exchange regulating activity of the Moscow Exchange;
- not to disclose and not to use for my own benefit or for the benefit of third persons the data which have become known to me.

\_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_ / \_\_\_\_\_  
(full name)

**Annex 2**  
**to Regulation on the Exchange Council**  
**Moscow Exchange**

To the Chairperson of the Executive Board of  
the Moscow Exchange

**PROPOSAL**  
**on inclusion of a candidate on the list for election to the Exchange Council of**  
**Public Joint-Stock Company Moscow Exchange MICEX-RTS (hereinafter, the Exchange Council)**

[full name, Primary State Registration Number OGRN and address of the organisation (organisations) nominating the candidate] proposes to include the person below on the list of candidates for election to the Exchange Council in compliance with item \_\_\_\_ of Regulation on the Exchange Council:

[Full name and position of the representative]

Name

*signature*